MISSOURI RIVER BASIN

BOARD OF REVIEW'S REPORT TO THE COMMISSIONER

United States Department Of The Interior Bureau of Reclamation Denver 2, Colorado, April 14, 1944

From Board of Review To Commissioner

Subject: Report on Conservation, Control, and Use of Water Resources of the Missouri River Basin.

2. The water of the Missouri River system is a primary national resource which, up to the present time, has been inadequately controlled and developed. The two major problems of the basin are the control of devastating floods along the lower river and the stabilization of agriculture in the Dakotas and in eastern Montana.

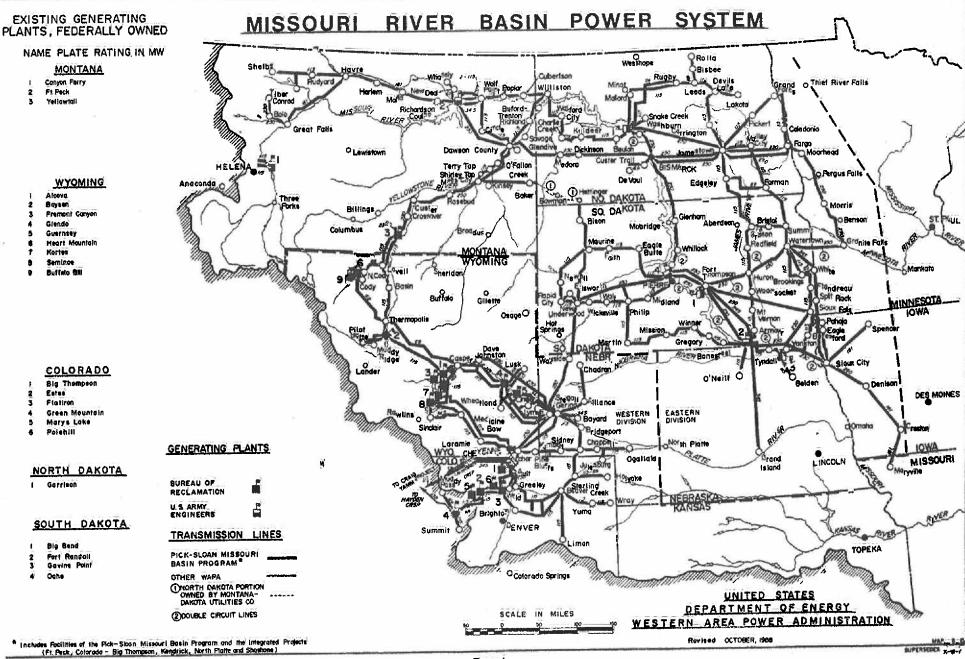
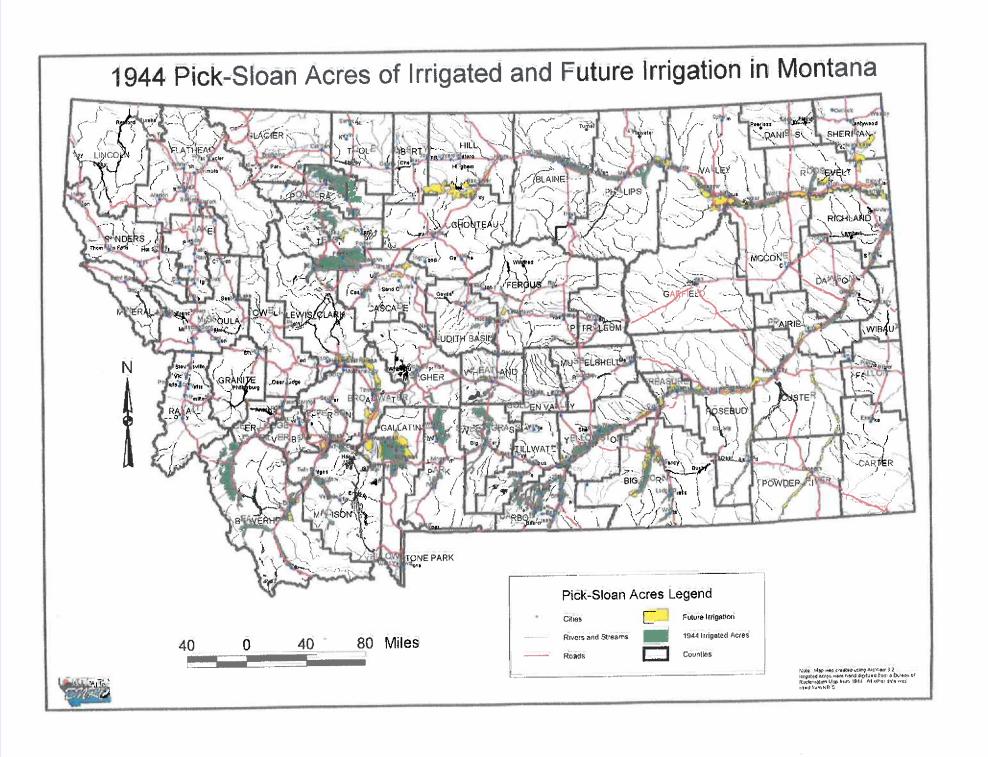


Figure 1





THE PICK-SLOAN POWER REVENUES. WHO GETS WHAT?

Since 1955, dams on the Missouri River have been generating hydroelectric power. In 1944, the Flood Control Act authorized these dams primarily as flood control dams to keep water levels in Missouri, Kansas, Nebraska, Iowa and other states along the Missouri River at reasonable levels. The water would be stored in upstream states like North Dakota to keep downstream states from flooding. The power generated by these dams would be used to fund the project and to keep a government promise: states that store water would benefit from the project as well.

PROMISES WERE MADE TO NORTH DAKOTA.

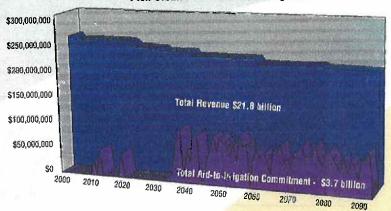
One of the dams built on the Missouri River was the Garrison Dam in North Dakota, a massive earthen dam that, together with water behind Oahe Dam, would flood 550,000 acres. In exchange for the loss of prime farm land and rural communities, the federal government made promises to North Dakota aimed at helping the state grow and develop.

- North Dakota could use some of the water behind Garrison Dam to irrigate one million acres.
- The power generated by the dams would be made available at cost for development in the Upper Midwest where long distances and difficult weather made electricity an expensive service to offer.

North Dakota could use some of the power revenues to pay for irrigation costs and part of the power generated by the dams for pumping irrigation water.

The two largest factors contributing to the development of North Dakota, water and electricity, were to be addressed in a single, straightforward plan. The plan anticipated revenues of more than \$21.8 billion by 2095, most of which was to be used for operating and maintaining the Pick-Sloan program and repaying debt.

Aid-to-Irrigation Commitment 2000-2095 Pick-Sioan Missouri Basin Program



\$3.7 billion of the revenue from the Pick-Sloan Dams were to be used to help repay irrigation costs in the Pick-Sloan Missouri Basin Program.

BUT THE WATER KEPT GOING THROUGH THE TURBINES AND MAKING MONEY

To date, the dams have generated almost \$4 billion in power revenues, but, almost none of the power or water set aside for irrigation was ever delivered and, in all likelihood, never will be.

Meanwhile:

- Much of the construction that was to supply water for irrigation, municipal, rural and industrial use remains incomplete and unused.
- Almost all of the water set aside for irrigation continues to generate electricity and is sold to power customers across the region.

The extra water and power created over the past 20 years by the failure to complete the Garrison irrigation program is conservatively valued at over \$150 million. An additional \$800 million in federal commitments were scheduled to be paid in 40 equal installments as soon as the first Garrison irrigation water was delivered.

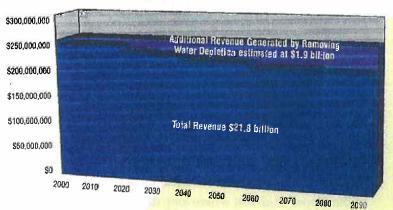
The entire Pick-Sloan program will generate an estimated \$1.9 billion in extra electricity using water that was intended to irrigate five million acres of farmland.

WHAT DOES GARRISON DIVERSION PROPOSE?

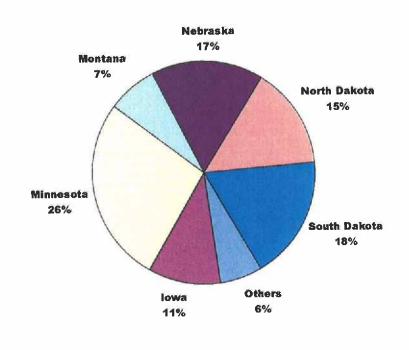
By using some of these revenues to complete the promised water delivery projects, the federal government can honor at least some of the commitments it made to North Dakota years ago. And it can do it without huge government grants and without raising the cost of power. In return for relieving the federal government of its obligation to support irrigation projects in North Dakota, Garrison Diversion proposes that the federal government use a portion of these power revenues to establish a rural economic development fund. North Dakota would use the fund to meet a portion of the highest priority water system needs in the state. Because the plan would freeze cost allocated to power, the wholesale rates at which Pick-Sloan power is sold would remain the same as under the existing arrangement.

Garrison Diversion remains dedicated to bringing Missouri River water to the people of North Dakota. An important key to making this happen is the revenue generated from the sale of hydroelectric power. Garrison Diversion is working to get North Dakota its share.

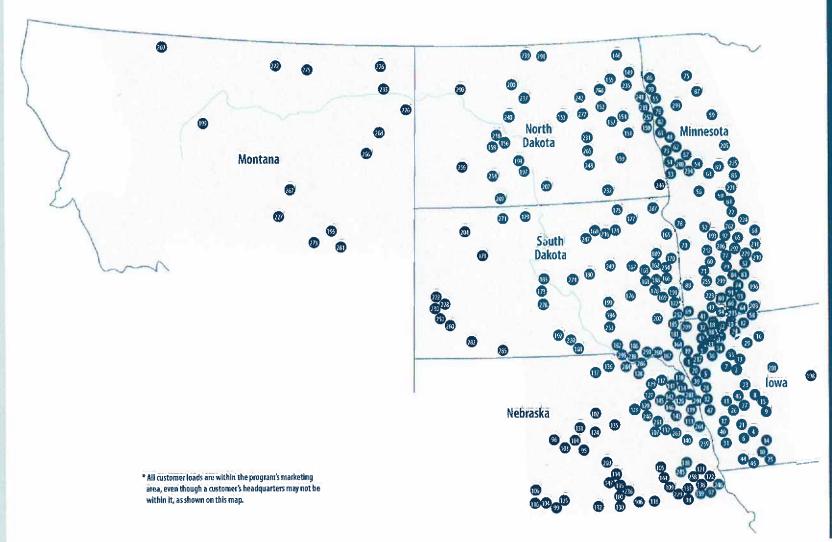
Changes in Generated Revenue 2000-2095 Pick-Stoan Missouri Basin Program



Firm Power Pick-Sloan marketed by Western Area Power Administration 2004

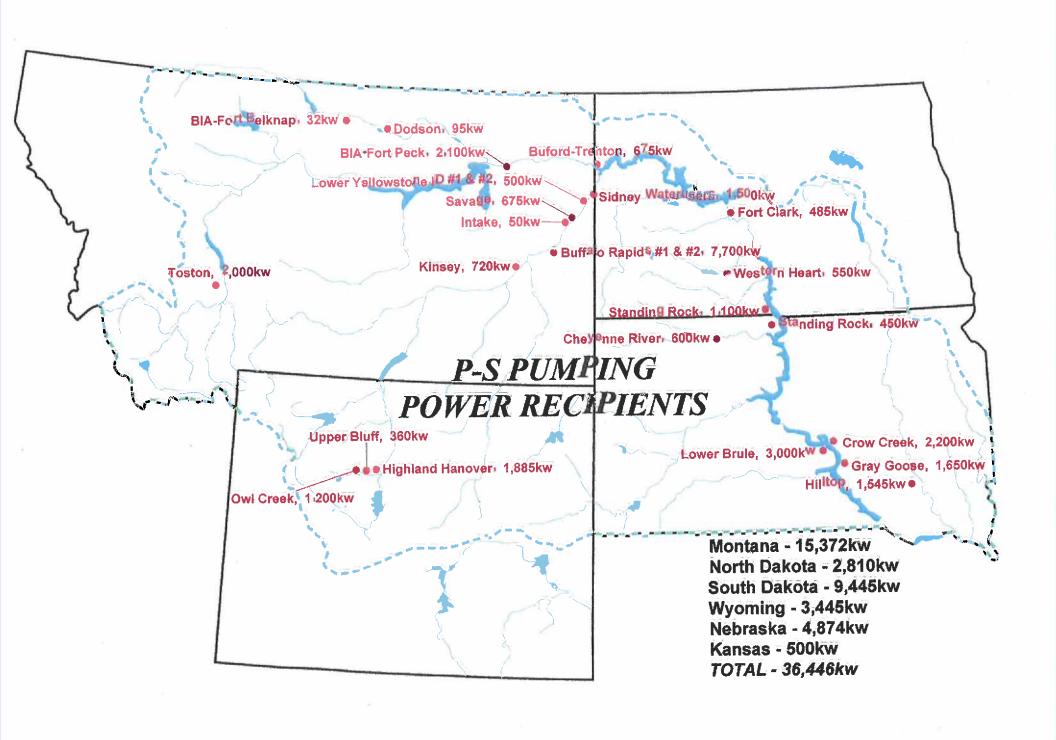


Others	6.20%
Iowa	10.50%
Minnesota	26.90%
Montana	7.10%
Nebraska	16.60%
North Dakota	14.60%
South Dakota	18.10%

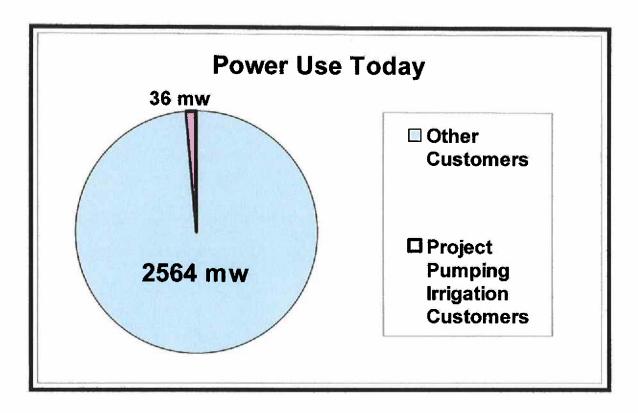


PICK-SLOAN MISSUURI KASIN PRUUKAM

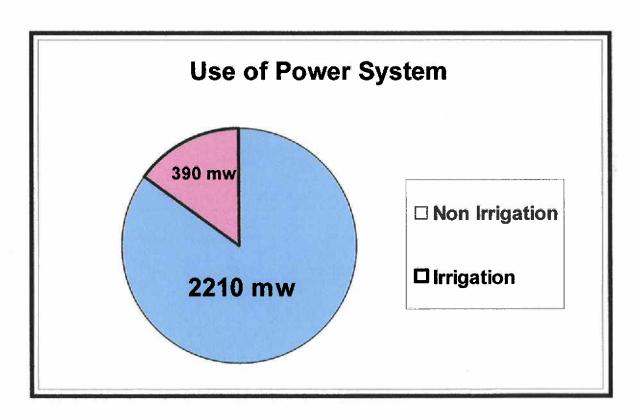
			323 2-3-1	242 ND State School for the Deaf
Municipalities	62 Hawley	124 Ord	186 Tyndall	
lowa	63 Henning	125 Oxford	187 Vermillion	243 ND State Hospital—Jamestown
1 Akron	64 Jackson	126 Pender	188 Volga	244 ND State School of Science—Wahpeton
2 Alta	65 Kandiyohi	127 Pierce	189 Watertown	245 Nebraska State Penitentiary
3 Alton	66 Lakefield	128 Plainview	190 Wessington Springs	246 Norfolk Regional Center
4 Anita	67 Lake Park	129 Randolph	191 White	247 Northern State University—Aberdeen
5 Anthon	67 Litchfield	130 Red Cloud	192 Winner	248 Peru State College
6 Atlantic	69 Luverne	131 Sargent	- Lotter of the section of	249 SD Developmental Center
7 Aurelia	70 Madison	132 Schuyler	Rural electric cooperatives	250 SD Human Services Center—Yankton
8 Breda	71 Marshall	133 Shickley	193 Agralite Electric Co-op.	251 SD School of Mines & Tech
9 Coon Rapids	72 Melrose	134 South Sioux City	194 Basin Electric Power Co-op.	252 SD State Penitentiary—Sloux Falls
10 Corning	73 Moorhead	135 Spalding	195 Big Horn County Electric Co-op.	253 SD State Training School= Plankinton
11 Denison	74 Mountain Lake	136 Spencer	196 Brown County Rural Electric	254 SD State University-Brookings
12 Estherville	75 Newfolden	137 Stuart	197 Capital Electric Co-op.	255 Southwest Minnesota State University
13 Fonda	76 Nielsville	138 Syracuse	198 Central lowa Power Co-op.	256 Southwest Water Authority
14 Fontanelle	77 Olivia	139 Tecumseh	199 Central Montana Electric Power	257 Univ. of ND-Grand Forks
15 Glidden	78 Ortonville	140 Wahoo	Со-ор.	258 Univ. of Nebraska—Lincoln
16 Graettinger	79 Redwood Falls	141 Wakefield	200 Central Power Electric Co-op.	259 Univ. of Nebraska—Omaha
17 Harlan	80 St. James	142 Wayne	201 Corn Belt Power Co-op.	260 Univ. of SD—Vermillion
18 Hartley	81 Sauk Centre	143 West Point	202 East River Electric Power Co-op.	261 Wayne State College
19 Hawarden	82 Shelly	144 Wilber	203 Federated Rural Electric Assn.	262 Willmar Regional Treatment Center
20 Hinton	83 Sleepy Eye	145 Winside	204 Grand Electric Co-op.	
21 Kimballton	84 Springfield	146 Wisner	205 Itasca-Mantrap Co-op. Electric Assn.	Public utility districts
22 Lake Park	85 Staples	147 Wood River	206 Kandiyohi Co-op. Elec. Power Assn.	263 Nebraska Public Power District
23 Lake View	86 Stephen	North Dakota	207 KEM Electric Co-op.	264 Omaha Public Power District
24 Laurens	87 Thief River Falls	148 Cavalier	208 Lake Region Co-op. Elec. Assn.	
25 Lenox	88 Tyler	149 Grafton	209 L&O Power Co-op.	Irrigation districts
26 Manilla	89 Wadena	150 Hillsboro	210 McLeod Co-op. Power	265 Garrison Diversion
27 Manning	90 Warren	151 Hope	211 Meeker Co-op. Light and Power	266 Hammond Pump
28 Mapleton	91 Westbrook	152 Lakota	212 Minnesota Valley Co-op.	267 Hysham ID
29 Marathon	92 Willmar	153 Maddock	213 Minnkota Power Co-op.	268 Prairie County Water & Sewer
30 Milford	93 Windom	154 Northwood	214 Mor-Gran-Sou Electric Co-op.	Dist. No. 2
31 Neola	94 Worthington	155 Park River	215 Nobles Cooperative Electric	269 Loup Basin Reclamation District
32 Onawa	Nebraska	156 Riverdale	216 Northern Electric Co-op.	M 40 * 1 . I
32 Ollawa	¥ .		75.7 7 7 7	



PSMBP



15.8% of total power investment or \$500 million is charged to future irrigation.



1944 Pick-Sloan Acres of Irrigated and Future Irrigation in Montana CHOUTEAU MCCONE CARTER POWDER RIVER Y TONE PARK Pick-Sloan Acres Legend Future Irrigation 1944 Irrigated Acres Rivers and Streams 80 Miles Counties Roads Note: Map was created using AucView 3.2. Intigated acres were hand digitized from a Sureau of Recisionalian Map from 1944. All other data was used from NRIS.

Table 3. Population, Housing Units, Land Area, and Density: 2000; and Percent Change: 1970 to 2000

[For Information concerning historical counts, see "User Notes." Density computed using land area. For Information on nonsampling error and definitions, see 'ext) Percent change Average per square mile Housing units Population State County 1970 to 1980 1970 to 1990 to 2000 1980 to Housing units Land area in square miles Housing units 1990 to 2000 Population Population 10.0 33.2 13.3 2.8 12.9 1.6 902 195 412 633 145 552.43 The State COUNTY 10.7 8.2 0.6 25.7 13.8 10,3 11.3 13.4 9.9 10.7 16.5 33.3 8.4 56.6 29.4 5 542,31 4 994.81 4 226.18 1 191.35 2 047.99 0.8 0.9 0.7 9 202 12 671 7 009 4 385 9 552 4 571 4 655 2 947 2 002 5 494 1.7 2.5 1.7 3.7 4.7 9.2 11.8 4.2 32.2 18.2 2.9 2.2 -3.9 1.6 -0.2 Beaverhead County..... 10.3 4.0 29.3 14.4 Beavemeau County.
Blaine County.
Broadwater County.
Carbon County. 2.6 2.7 -0.8 =1.2 -6.4 4.5 18.4 2.4 25.6 1.7 -8.0 -1.4 -5.9 7.7 -8.0 1 360 80 357 5 970 11 696 2 017 3 339.57 2 697.90 3 973.24 3 783.13 1 426.09 9.5 3.4 9.5 -16.5 Carter County
Cascade County
Chouteau County
Cluster County 6.5 35 225 2 776 5 360 1 154 -3.7 -10.5 -10.8 -20.1 29.8 13.1 -0.8 -5.4 -11.0 Daniels County..... -7.1 2.7 -7.5 -3.0 28-9 -3.2 -7.1 0.4 6.3 20.0 23.5 1.0 11.9 13.8 59.5 -19.5 -17.9 -17.5 -7.6 14.0 4.8 -20.0 -7.1 3.7 9 059 9 417 2 837 11 893 74 471 4 168 4 958 1 410 2 373.14 12.8 1.8 2.7 14.6 736.98 620.33 6.7 0.9 -8.6 -1.6 1.3 339.17 5 558 5 098.34 31.9 -7.8 -1.4 10.2 -1.4 24.3 6.5 19.9 38.1 59.6 67 831 1 279 13 247 1 042 2 630 11.3 26.0 29 489 2 605.84 18.6 15.7 29.0 21.6 -19.5 9.3 14.3 11.1 4 668.06 2 994.72 1 175.30 0.2 1.8 0.4 1.2 -4.0 14.0 -11.1 -5.6 Garlield County
Glacier County
Glacier County
Granite County
Granite County 961 5 243 ~8.5 17.7 0.9 450 2 074 1 727-44 3.6 34.2 -0.8 31.9 29.3 2.1 15.2 -1.0 21.4 2.6 2.5 0.7 9.1 7.4 23.1 16 673 10 049 2 329 26 507 55 716 7 453 4 199 1 325 896.36 656.64 869.85 493.77 26.6 2.1 26.0 Hill County

Jefferson County

Judith Basin County

Lake County

Lewis and Clark County 12.9 -13.8 10.4 10.4 -1.6 24.0 19.9 13 605 25 672 3 460.96 16.1 12.7 14.0 3.6 42.4 4.8 45.7 18.8 6.3 1.5 5.2 0.7 1.9 0.8 2 158 18 837 1 977 6 851 1 932 0.7 2.6 0.4 -1.3 -1.7 Liberty County -1.5 -15.8 9.9 -15.6 16.5 -6.4 19.7 8.3 3 612.67 2 642.53 3 586.54 2 391.82 Liberly County
Liberly County
McCone County
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Meagher County 9 319 -6.0 8.7 1.5 1 087 4 671 1 363 28.0 6.2 0.6 19.9 23.5 6.1 19.1 -0.3 -0.7 9.6 7.1 1.6 15.9 1.2 2.9 0.2 -9,8 3,5 -7,3 12,5 -20,8 3.2 36.9 2.4 5.6 0.3 24.2 30.5 18.6 14.9 -3.0 1 219.82 2 597.97 1 867.15 2 802.41 1 653.90 17.2 21 6 9.5 8.4 -5.0 Mineral County..... 61,6 29.3 30.7 13.8 41 319 2 317 8 247 292 Missoula County
Musselshell County Park County
Petroleum County 0.5 1.7 0.3 1.3 0.4 10.0 -10.9 -0.1 -11.1 8.5 -13.3 -3.8 -4.4 -17.1 -0.4 1,8 -11.9 -9.5 2 502 2 834 1 007 2 930 716 5 139.57 4 601 6 424 1 858 7 180 0.9 -3.1 -2.4 0.2 -7.3 8.3 -8.1 3.4 -4.1 19.2 16.7 15.4 14.4 624.70 297.18 -4.9 -24.7 4.5 2 325.94 43.7 -5.6 -5.2 -8.0 21.6 21.5 2.9 12.0 12.3 12.8 15.1 4.6 4.5 1 9 3.7 71.3 33.5 12.5 84.3 6.7 2.2 1.7 0.8 1.9 56.1 24.5 1.0 36 070 9 667 10 620 9 383 10 227 2 394.21 2 084.09 2 355.60 5 012.37 2 762.17 15 946 4 557 4 044 11.2 -12.5 5.1 6.1 -0.1 9.8 34 10.7 18.0 22.3 35.7 15.8 2.8 36.9 6,6 21.3 2.0 25.4 14.4 2.8 -6.3 -9.3 20.9 7.9 6.1 -10.3 4.5 19.9 2.4 48.2 4.6 1.9 2.8 -12.6 -10.9 16.8 -1.9 -3.4 2 167 16 176 3 947 1 860 2 910 1.3 22.5 2.2 1.0 1.3 1 676.58 4 105 Sheridan CountySliver Bow County -3.7 22.8 10.8 -0.8 34 606 8 195 3 609 6 445 718,31 1 795,09 1 855,08 Stillwater County
Sweet Grass County
Teton County 13.5 -2.3 -5.8 -8.6 2.2 4.3 11.9 -3.2 -3.0 -5.5 -1.0 -17.2 14.1 12.4 3.1 6.1 13.0 26.9 46.6 2.8 0.9 1.6 1.6 1.2 0.4 1.0 0.8 2 300 1 910.95 5 267 15 6.8 0.6 -10.9 -19.6 -4.8 -19.3 5.0 978.86 4 921.00 1 423.09 889.31 2 635.15 -8.2851 675 259 422 4 847 1 154 Treasure County
Valley County...
Wheatland County... -0.2 -10.6 -6.7 0.8 23.7 1.2 Wibaux County... Yellowstone County.... 068 587 54 563 129 352

Assumptions: 160 acres Irrigation
7.5 GPM per Acre
Lifts of 100- 500 feet at 100' increments
Assuming system is 85 % efficient
Assuming 1.5 acre-feet per acre per yr

required

Power rates of : Firm Federal Hydro blended rate 19.54 mills per KWH (+delivery)

Project Pumping w/out ability to pay 12.55 mills per KWH (Delivery included)

Randomly selected Rural Electric Coop (Taken from their Web site) .0425 per KWH next 20,000 .0375 all KWH additional 25.00 base 7.50 per KW

Private Utility

(taken off their website) .0368 per KWH 15.00 base charge 3.00 per KW

